

EXHIBIT 1

EX-101-10
FILED

SEP 24 2007

SUPERIOR COURT
OF CALIFORNIA
COUNTY OF SONOMA

1 JOHN E. HILL (Bar No. 45338)
2 MICHAEL P. GUTA (Bar No. 121509)
3 LAW OFFICES OF JOHN E. HILL
4 8105 Edgewater Drive, Suite 100
Oakland, CA 94621
Telephone: (510) 588-1000
Facsimile: (510) 729-6333

Attorneys for Plaintiffs

7 SUPERIOR COURT OF CALIFORNIA
8 COUNTY OF SONOMA
9 UNLIMITED JURISDICTION

BY FAX

11 PAMELA THOMPSON, Individually and as
12 Personal Representative of CHARLES
THOMPSON, Deceased,

Plaintiff,

v.

15 CONSECO SENIOR HEALTH INSURANCE
16 COMPANY, a Pennsylvania corporation,
DOES I through XX

Defendant (s).

Case No.

SEN 241544

COMPLAINT FOR MONEY

(Breach of Insurance Contract; Breach
of Implied Covenant of Good Faith and
Fair Dealing; Violation of Welfare and
Institutions Code Sections 15600 et
seq.)

GENERAL ALLEGATIONS

19 1. At all times mentioned herein, Plaintiff was and is a resident of State of California, County of
20 Sonoma.

21 2. At all times mentioned herein, Defendant CONSECO SENIOR HEALTH INSURANCE
22 COMPANY was and is a Pennsylvania corporation, authorized by the California Insurance
23 Commissioner to do business and doing business in the State of California, County of Sonoma as a
24 health insurer.

25 3. Plaintiff is informed and believes, and thereon alleges, that the true names and capacities,
26 whether individual, associate, corporate or otherwise of Defendants sued herein as Does I to XX.

COMPLAINT FOR DAMAGES

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1 inclusive, are unknown to Plaintiff, who therefore sues said Defendants by such fictitious names.
2 Plaintiff is informed and believes, and thereon alleges, that the Defendants sued herein as "Does" are
3 legally and/or equitably culpable and liable for the actions complained of herein. Plaintiff will seek
4 leave of court to amend his complaint to allege the Does true names and capacities when the names
5 and capacities have been ascertained. At all times herein mentioned, Plaintiff is informed and
6 believes, and upon such basis alleges, that Does I to XX were the agents, servants and/or employees
7 of the other Defendants, and at all times herein mentioned were acting within the course and scope of
8 their agency and employment, and that the acts of each Defendant were ratified by the others.

9
10 **FIRST CAUSE OF ACTION**
(Breach of Insurance Contract)

11 4. Plaintiff incorporates Paragraphs 1 to 4 as though fully set forth herein.

12 5. In 1992, in consideration of the payment of a premium made by CHARLES THOMPSON,
13 Defendant, by its duly authorized agents, delivered to CHARLES THOMPSON in Santa Rosa,
14 County of Sonoma, State of California, its policy of insurance, hereinafter referred to as "the
15 policy," by which Defendant undertook and did insure for health care benefits. On the occurrence
16 of the insured event Defendant promised to pay Plaintiff for health benefits as they became
17 necessary. A copy of the policy is attached hereto as Exhibit A and made a part hereof.

18 6. On or about April, 2005, while the policy was in full force and effect, the insured incurred
19 health care costs. By reason thereof, under the terms of the policy, Plaintiff became entitled to
20 receive from Defendant, and Defendant became obligated to pay for services in the sum of \$80.00
21 weekly from April 2005, and \$160.00 weekly from February 2007.

22 7. Plaintiff has and the insured have performed all conditions of the policy on their part to be
23 performed and, in accordance with the terms of the policy, gave Defendant due and timely notice and
24 proof of claim of loss.

25 8. Plaintiff has demanded of Defendant payment for the services to be provided Plaintiff, as
26 alleged in Paragraph 4, *supra*, but Defendant has failed and refused, and continues to fail and refuse,
27 to pay Plaintiff that sum or any part of it, and there is now due and owing from Defendant to Plaintiff

1 the sum to be determined by the Court.

2 9. Throughout the term of the policy Defendants have repeatedly refused to pay benefits under the
3 policy fraudulently.

4 10. On June 8, 2007, CHARLES THOMPSON died. PAMELA THOMPSON is his successor in
5 interest.

6 11. As a proximate result of Defendant's failure and refusal as herein alleged, Plaintiff has been
7 damaged.

8 12. The acts of Defendant alleged in Paragraph 8, *supra*, were done maliciously and oppressively
9 and with the intent of defrauding Plaintiff. Plaintiff is therefore entitled to exemplary or punitive
10 damages.

11 WHEREFORE, Plaintiff prays relief as hereinafter set forth.

12 **SECOND CAUSE OF ACTION**
13 **(Breach of Implied Covenant of Good Faith and Fair Dealing)**

14 13. Plaintiff incorporates by reference, as if fully stated herein, Paragraphs 1 through 12 of the
15 Complaint.

16 14. The above-mentioned conduct by Defendants, and each of them, was arbitrary, capricious,
17 unreasonable, and not made in good faith and is in breach of Defendant's duty of good faith and fair
18 dealing implied in every contract of insurance.

19 15. As a direct and proximate result of the actions of the Defendants, and each of them, Plaintiff
20 has suffered emotional distress and has been caused to incur attorney's fees.

21 16. As a direct and proximate result of the actions of the Defendants, and each of them, Plaintiff
22 has sustained damages in an amount in excess of \$500,000.00.

23 WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

24 **THIRD CAUSE OF ACTION**
25 **(Violation of Welfare and Institutions Code Sections 15600 et seq.)**

26 17. Plaintiff hereby incorporates Paragraphs 1 through 16 as if fully set forth herein.

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COMPLAINT FOR DAMAGES

1 18. By committing the acts set forth herein, Defendants have violated Welfare and Institutions
2 Code Sections 15600 et seq.

3 19. As a proximate result of said violations, Plaintiff and Charles Thompson have been
4 damaged, suffered emotional distress, and incurred attorney fees.

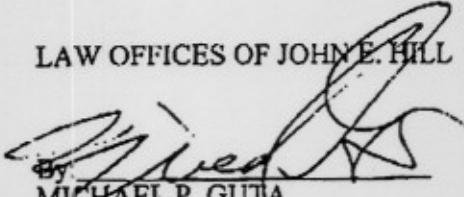
5 WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

6 WHEREFORE, Plaintiff prays relief as follows:

- 7 1. For contract damages, with interest thereon at the legal rate;
8 2. For economic damages including losses incurred in seeking substitute employment
9 and loss of earnings, deferred compensation and other employment benefits, lost
10 investment earnings, together with other economic losses, in an amount to be awarded
11 by the Court;
12 3. For punitive damages;
13 4. For reasonable attorney's fees;
14 5. For costs of suit herein incurred; and
15 6. For such other and further relief as the Court may deem proper.

16
17 Dated: 9/21/07

LAW OFFICES OF JOHN E. HILL

18
19 
20 MICHAEL P. GUTA
21 Attorneys for Plaintiffs
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4

COMPLAINT FOR DAMAGES

Exhibit A

Sent By: Law Offices of John H.

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CONSECO SENIOR HEALTH INSURANCE COMPANY
11815 N. Pennsylvania Street
P.O. Box 1955
Carmel, IN 46082-1955
1-800-242-4852

Policy

October 18, 2000

Charles D Thompson
1150 Lake Mendocino Dr
Ukiah, CA 95482

Policy Number: EM 9729
Insured: Charles Thompson

Dear Charles Thompson:

Thank you for the opportunity to serve your insurance needs.

We have processed your request for a duplicate policy/certificate of insurance which is enclosed. Please place this document in a safe place for future reference.

We want to assure you of our continued commitment to provide you with the best possible service. If we may be of assistance, please contact our office or your local representative.

Sincerely,
Policy Change Department

Enclosure
CPC0274
REK

TRANSPORT LIFE INSURANCE COMPANY APPLICATION
 716 MAIN STREET, FORT WORTH, TEXAS 76102

Application for: ☒ NEW POLICY ☐ REINSTATEMENT ☐ ADD/INCREASE OF BENEFITS **EM9129**
 Policy No(s) to be changed

BENEFIT PERIOD: ☒ Lifetime ☐ 4-Year ☐ 3-Year ☐ 2-Year ☐ 1-Year
 Long Term Care Benefit Amount: (\$70 - \$200) \$

Options: ☐ Compounded Inflation Protection Rider
☐ Home Health Care Benefit Rider
☐ Return of Premium Rider
 Home Health Care Benefit Amount: (\$70 - \$100) \$
 The Home Health Care Benefit amount cannot exceed the Long Term Care Benefit amount.

Waiting Period: ☒ 0 days ☐ 30 days ☐ 60 days ☐ 90 days

PREMIUM PAYMENT MODE: ☐ Annually ☐ Semi-Annually ☐ Quarterly ☐ Monthly

INITIAL PREMIUM: \$

PROPOSED INSURED:
 NAME: John H. Kissling
 STREET ADDRESS: 1234 Main St
 CITY: Fort Worth STATE: TX ZIP: 76102

ALTERNATE PREMIUM PAYOR:
 NAME: John H. Kissling
 STREET ADDRESS: 1234 Main St
 CITY: Fort Worth STATE: TX ZIP: 76102

YOU ARE NOT ELIGIBLE FOR THIS COVERAGE IF YOU ARE CURRENTLY ELIGIBLE FOR MEDICAID.

Have you ever been declined for Long Term Care Coverage by Transport Life Insurance Company?

PART I

A. Have you ever suffered from a stroke or do you have a colostomy?

B. Do you have or have you been diagnosed to have Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)?

C. Do you use a walking aid (except for a cane) or wheelchair; or do you have any type of amputation due to disease; or are you completely or partially paralyzed; or are you bedridden or blind?

WITHIN THE LAST SIX MONTHS HAVE YOU:

D. Used or been advised by a physician to make arrangements for the service of a nurse, home care agency or home health aid in daily living?

E. Been advised by a physician to be confined to a hospital or nursing facility for any condition?

F. Required or used any medication for diabetes?

WITHIN THE LAST TWO YEARS HAVE YOU:

G. Received any advice, treatment or consultation for:

(1) Emphysema, or other obstructive lung disease or rheumatoid arthritis?

(2) Alzheimer's disease, senile dementia or organic brain syndrome, mental disorders, alcoholism, drug addiction or cirrhosis of the liver?

(3) Parkinson's disease, multiple sclerosis, muscular dystrophy, Lou Gehrig's disease or any other degenerative neuromuscular disease?

(4) Paget's disease, osteomyelitis, osteoporosis or any other degenerative bone diseases?

H. Required kidney dialysis?

I. Been confined to a nursing home, skilled nursing facility or intermediate or custodial care facility?

WITHIN THE LAST TEN YEARS HAVE YOU:

J. Had or been treated for internal cancer (except skin cancer), malignant melanoma or leukemia?

K. Been treated for heart disease of any kind, including congestive heart failure?

L. Had any symptoms or treatment for any degenerative disease of the eye, including glaucoma, other than cataracts?

M. Had surgery or been advised to have surgery for any circulatory problem, including problems with the carotid arteries?

PART II

A. Within the past two years have you been confined to a hospital, mental health center, alcohol or drug rehabilitation center? If yes, please provide the information requested below:

Date Admitted	Date Discharged	Name and Address of Hospital or Other Facility	Reason for Confinement

B. Are you taking or have you taken any prescription drugs within the past six weeks? If "yes," please list the drug and the condition for which it was prescribed:

Drug	Condition
Insulin	Diabetes
Aspirin	Heart Disease

IS INSURANCE APPLIED FOR INTENDED TO REPLACE EXISTING INSURANCE? YES ☐ NO ☒

MAKER COMPANY: Transport Life Insurance Company

HOME OFFICE ADDRESS: 716 Main Street, Fort Worth, TX 76102

AGREEMENT: I hereby agree that: (1) all statements and answers contained herein are full, complete and true to the best of my knowledge and belief; (2) any information acquired by an agent of the Company which is not contained in the application shall not be binding upon the Company; (3) the insurance hereby applied for will not be considered in force until a policy is issued and the full first month's premium paid while I am alive and in good health and other conditions remain as described in this application; and (4) only an officer of the Company may change, waive or alter the terms and conditions of this application.

AUTHORIZATION AND ACKNOWLEDGEMENT

I authorize Transport Life Insurance Company or its reinsurers to obtain information as to the diagnosis or treatment of any physical or mental condition, and any other information needed in order to determine my eligibility for insurance. Upon presentation of this authorization or a copy of it, they may obtain such information or records thereof from any physician, medical practitioner, hospital, clinic, veteran's hospital or other medical facility, insurance company or insurance support organization. I know that I may request to receive a copy of this authorization. I know that I may request to be interviewed if an investigative consumer report is prepared in connection with this application. I agree that a photographic copy of this authorization shall be as valid as the original. I agree this authorization shall be valid for two and one half years from the date shown below.

I acknowledge receipt of the "Notice of Insurance Information Practices," "Guide to Health Insurance for People with Medicare," "Outline of Coverage," and the "Long Term Care Buyer's Guide."

Signed and Dated at Fort Worth, TX on 09/25/07

I certify that I have truly and accurately recorded on the application the information supplied by the Proposed Insured.

Signed by John H. Kissling Agent's Name John H. Kissling FA2142

CAUTION: If your answers on this application are intentionally incorrect or untrue, Transport Life has the right to deny benefits or rescind your policy.

Signed by John H. Kissling

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RICH KISSLING

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SCHEDULE

This Schedule contains important benefit periods, and benefit amounts you have selected and the premiums for your policy.

WAITING PERIOD:	0 DAYS	
MAXIMUM DAYS:	LIFETIME	
BASE POLICY:		
LONG TERM CARE DAILY BENEFIT	\$80.00	\$1,061.76
HOME HEALTH CARE BENEFIT RIDER		\$299.52
Maximum Benefit Amount:		
Home Health Care Daily Benefit	\$80.00	
Respite Care Daily Benefit	\$80.00	
Homemaker Daily Benefit	\$80.00	
Adult Day Care Daily Benefit	\$40.00	
TOTAL ANNUAL PREMIUM		\$1,361.28

INSURED: Your Policy is effective on the POLICY DATE: OCTOBER 24, 1992

CHARLES D THOMPSON

1150 LAKE MENDOCINO DR

POLICY NUMBER

EM 9729

UKIAH CA 95482

INITIAL PREMIUM

\$113.44

MODE

MONTHLY

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**TRANSPORT LIFE
INSURANCE COMPANY**

January 01, 1993

CHARLES D THOMPSON
1150 LAKE MENDOCINO DR
URIAH CA 95482

Re: Customer Service File EM 9729

Dear CHARLES D THOMPSON:

Thank you for selecting the Long Term Care Policy underwritten by Transport Life Insurance Company. The benefits you have chosen are summarized as follows:

WAITING PERIOD:	0 DAYS
MAXIMUM DAYS:	LIFETIME
BASE POLICY:	
LONG TERM CARE DAILY BENEFIT	\$80.00
HOME HEALTH CARE BENEFIT RIDER	
Maximum Benefit Amount:	
Home Health Care Daily Benefit	\$80.00
Respite Care Daily Benefit	\$80.00
Homemaker Daily Benefit	\$80.00
Adult Day Care Daily Benefit	\$40.00

You should review this information carefully, and it is also important that you review the enclosed copy of your application. All questions must be answered accurately to ensure that your coverage is valid. If any information is incorrect or misstated, please provide the correct information to the Transport Life Underwriting Department at the address shown above.

You can expect to hear from us shortly, when the underwriting process has been completed and a decision has been made regarding your application for coverage. Meanwhile, if you are covered under another policy, please maintain it until you receive verification of coverage from Transport Life and you have reviewed your policy.

Thank you again for choosing Transport Life. If you have a question please do not hesitate to call us at our toll free number 1-800-336-7891.

TRANSPORT LIFE INSURANCE COMPANY

*Becky A. Cole*BECKY COLE
Policy Administration

A PRIMERICA COMPANY

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**TRANSPORT LIFE
INSURANCE COMPANY**

November 11, 1992

CHARLES D THOMPSON
1150 LAKE MENDOCINO DR
UNIAH CA 95482

Re: Customer Service File SM 9729

Dear CHARLES D THOMPSON:

Thank you for selecting the Long Term Care Policy underwritten by Transport Life Insurance Company. The benefits you have chosen are summarized as follows:

WAITING PERIOD:	0 DAYS
MAXIMUM DAYS:	LIFETIME
BASE POLICY:	
LONG TERM CARE DAILY BENEFIT	\$40.00
HOME HEALTH CARE BENEFIT RIDER	
Maximum Benefit Amount:	
Home Health Care Daily Benefit:	\$80.00
Respite Care Daily Benefit	\$80.00
Homemaker Daily Benefit	\$50.00
Adult Day Care Daily Benefit	\$40.00

You should review this information carefully, and it is also important that you review the enclosed copy of your application. All questions must be answered accurately to ensure that your coverage is valid. If any information is incorrect or misstated, please provide the correct information to the Transport Life Underwriting Department at the address shown above.

You can expect to hear from us shortly, when the underwriting process has been completed and a decision has been made regarding your application for coverage. Meanwhile, if you are covered under another policy, please maintain it until you receive verification of coverage from Transport Life and you have reviewed your policy.

Thank you again for choosing Transport Life. If you have a question please do not hesitate to call us at our toll free number 1-800-336-7891.

TRANSPORT LIFE INSURANCE COMPANY

*Becky A. Cole*BECKY COLE
Policy Administration

A PRIMERICA COMPANY

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**CALIFORNIA LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT
NOTICE CONCERNING GENERAL PURPOSES
AND COVERAGE LIMITATIONS**

Residents of California who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however, as noted in the box below.

The California Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the California Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer which is excluded from coverage, or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty association to induce you to purchase any kind of insurance policy.

Policyholders with additional questions may contact:

The California Life and Health Insurance Guaranty Association
P.O. Box 70089
Los Angeles, CA 90070

California Department of Insurance
100 Van Ness Avenue - 17th Floor
San Francisco, California 94102

The state law that provides for this safety-net coverage is called the California Life and Health Insurance Guaranty Association Act. On the back of this page is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law, nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Association.

(please turn to back of page)

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COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guaranty Association if they live in this state and hold a life insurance contract, an annuity, or health insurance contract, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, a non-profit hospital service plan, a health care service plan, or a grants and annuities society holding a certificate of authority under Section 11520.

The Association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends;
- credits given in connection with the administration of a policy by a group contract holder;
- unallocated annuity contracts;
- any plan or program of an employer or association that provides life, annuity, or health benefits to its employees or members to the extent the plan is self-funded or uninsured.

LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the Association is obligated to pay out: The Association is not liable to pay in excess of the lesser of (1) the contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer, or (2) \$200,000 in health insurance benefits, increased or decreased annually based upon changes in the health care cost component of the consumer price index. The Association cannot pay more than 80% of what the insurance company would owe under a policy or contract. Also, for any one insured life, the Association will pay a maximum of \$250,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$250,000 limit, the Association will not pay more than \$100,000 in cash surrender values, \$100,000 in present value of annuities, or \$250,000 in life insurance death benefits - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for insurance policies to which the Act applies.

TRANSPORT LIFE INSURANCE COMPANY
714 MAIN STREET
FORT WORTH, TEXAS 76102

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TRANSPORT LIFE INSURANCE COMPANY

714 Main Street
Fort Worth, Texas 76102

Should any dispute arise, please write to the Company. The Department of Insurance should be contacted only after the complainant and the Company or its agent have failed to produce a satisfactory solution to a problem. The Department of Insurance may be reached at the following address and telephone number: Department of Insurance, Consumer Services Division, 300 South Spring Street, Los Angeles, California 90013, (800) 927-4337.

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TRANSPORT LIFE INSURANCE COMPANY

(We, Us, Our)
714 Main Street
Fort Worth, Texas 76102

LONG TERM CARE INSURANCE POLICY

NOTICE TO BUYER: This Policy may not cover all of the costs you incur associated with long term care during the period of coverage. You are advised to review all Policy limitations carefully.

RENEWAL CONDITIONS - GUARANTEED RENEWABLE FOR LIFE

This Policy is guaranteed renewable for life if you pay the premium when due or within the Grace Period. If you pay the premium on time, we cannot cancel the Policy or place any restrictions on it. We may change the premium rates for this Policy. If we do change such premiums, we will do so only if we change the premiums for all policies which have the same form number as this Policy and which were issued in the same class and in the same state as this Policy.

IMPORTANT NOTICE! PLEASE READ!

This Policy was issued based on your responses to the questions on your Application. A copy of your Application is attached and is a part of this Policy. Please read it and check to see that the information is correct and complete. If any requested medical history has been left out, or if there is an error, please notify us immediately. If your answers are incorrect or untrue, we have the right to deny benefits or rescind your Policy, subject to the Time Limit on Certain Defenses provision. The best time to clear up any questions is now, before a claim arises!

30-DAY RIGHT TO EXAMINE POLICY

PLEASE READ YOUR POLICY CAREFULLY - THIS POLICY IS A LEGAL CONTRACT BETWEEN YOU AND US. If you are not satisfied for any reason, return the Policy to us or our agent within 30 days after you receive it. We will refund your premium within 30 days and the Policy will be void.

This Policy is signed for Transport Life Insurance Company by its Secretary and President.

TRANSPORT LIFE INSURANCE COMPANY

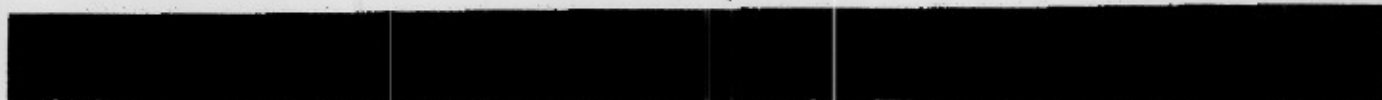
Elizabeth S. Delaney

Secretary

Garland W. Luster

President

11001-CA



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INSURING PROVISION

We agree to pay you the benefits provided by this Policy, subject to its definitions, provisions, limitations and exceptions.

CONSIDERATION

We have issued this Policy in consideration of the Application and payment of the first premium on or before the Policy Date.

Coverage begins on the Policy Date at 12 noon, standard time, at your residence. The Policy will remain in force for any period for which the premium is paid when due or during the grace period.

DEFINITIONS

This section provides the meaning of special terms used in this Policy.

DOCTOR: A person who is:

1. Licensed by the state in which he or she practices to treat the injury or sickness covered under this Policy; and
2. Acting within the scope of his or her license; and

A Doctor does not mean someone who is a member of your Family or the owner or an employee of the Nursing Home or Hospice where you are confined.

FAMILY: You, your spouse, your brothers, your sisters, your step-brothers, your step-sisters, your children, your step-children and your grandchildren.

HOSPICE: A place which provides a formal program of care which is: (1) for terminally ill patients whose life expectancy is less than 6 months; (2) provided on an inpatient basis; and (3) directed by a Doctor. It must be licensed, certified or registered in accordance with state law.

NURSING HOME: A place which:

1. Is appropriately licensed by the state for the services it provides such as a convalescent nursing facility, a skilled nursing facility, a convalescent hospital, a convalescent unit of a hospital, an intermediate care facility, or a custodial care facility; and
2. Provides skilled, intermediate, or custodial nursing care under the supervision of a Doctor or graduate registered nurse; and
3. Provides 24-hour nursing service by or under the supervision of a graduate registered nurse (R.N.); and
4. Maintains a daily medical record of each patient which is available for review by the Company.

A NURSING HOME does not mean a hospital or clinic, boarding home, home for the aged or mentally ill, rest home, community living center, a place that provides domiciliary, residential, or retirement care, a place which operates primarily for the treatment of alcoholics or drug addicts, or a hospice.

BENEFITS

The Waiting Period and Maximum Days are shown in the Schedule. Payment will not be made for more than one benefit provided under this Policy and the attached Riders for any given day.

A. LONG TERM CARE BENEFIT: For each day you are confined to a Nursing Home or Hospice, we will pay your Long Term Care Daily Benefit. You must first meet your Waiting Period. Your Waiting Period is the number of days you must be confined in a Nursing Home before benefits would otherwise be payable. We will not pay benefits for the number of days you are confined that are more than your Maximum Days.

Your Nursing Home or Hospice confinement must be:

1. Medically necessary (Care that is appropriate to the diagnosis, widely accepted by the practicing peer group based upon scientific criteria, and not experimental or investigative); or
2. Because you are unable to perform two or more of the following activities:
 - a. Bathing (washing yourself, including a sponge bath, with or without extra equipment);
 - b. Dressing (putting on and taking off clothing);
 - c. Feeding (Consuming food that has already been prepared and made available with or without the use of adaptive utensils. 'Feeding' does not mean to prepare and cook food);
 - d. Toileting (doing both of the following: getting on and off the toilet; and maintaining a reasonable level of personal hygiene);
 - e. Transferring (moving from a bed to a wheelchair or other type of conveyance or furniture, and returning to the bed, as needed); or
3. Because a Doctor has determined you have a cognitive impairment resulting in a need for constant supervision. Cognitive impairment means you are unable to think, perceive, reason or remember. Your inability may be because of Alzheimer's disease, Parkinson's disease, or senile dementia.

B. BENEFIT REBUILDER: After we have paid you benefits and you have used some or all of your Maximum Days, your benefits may be restored to the Maximum Days as shown in the Schedule. You must not be confined to a Nursing Home or Hospice or receive care for which benefits could be provided by this Policy or attached Riders for 180 consecutive days. You do not need to meet another Waiting Period after rebuilding your Maximum Days.

C. WAIVER OF PREMIUM: When benefits have been payable for 90 consecutive days of confinement to a Nursing Home or Hospice, you do not have to pay premium for this Policy while you continue to be confined. If you paid premium for a quarterly, semi-annual or annual period, your premium period will be changed to monthly during the time you do not pay premium. We will refund prepaid premium every month that we determine you are eligible for this benefit.

PREEXISTING CONDITIONS

A Preexisting Condition is a condition for which medical advice or treatment was recommended by or received from a Doctor before the Policy Date. A Preexisting Condition will be covered on or after the Policy Date provided such condition would not have caused you to be ineligible if disclosed on the Application.

INSURING PROVISION

We agree to pay you the benefits provided by this Policy, subject to its definitions, provisions, limitations and exceptions.

CONSIDERATION

We have issued this Policy in consideration of the Application and payment of the first premium on or before the Policy Date.

Coverage begins on the Policy Date at 12 noon, standard time, at your residence. The Policy will remain in force for any period for which the premium is paid when due or during the grace period.

DEFINITIONS

This section provides the meaning of special terms used in this Policy.

DOCTOR: A person who is:

1. Licensed by the state in which he or she practices to treat the injury or sickness covered under this Policy; and
2. Acting within the scope of his or her license; and

A Doctor does not mean someone who is a member of your Family or the owner or an employee of the Nursing Home or Hospice where you are confined.

FAMILY: You, your spouse, your brothers, your sisters, your step-brothers, your step-sisters, your children, your step-children and your grandchildren.

HOSPICE: A place which provides a formal program of care which is: (1) for terminally ill patients whose life expectancy is less than 6 months; (2) provided on an inpatient basis; and (3) directed by a Doctor. It must be licensed, certified or registered in accordance with state law.

NURSING HOME: A place which:

1. Is appropriately licensed by the state for the services it provides such as a convalescent nursing facility, a skilled nursing facility, a convalescent hospital, a convalescent unit of a hospital, an intermediate care facility, or a custodial care facility; and
2. Provides skilled, intermediate, or custodial nursing care under the supervision of a Doctor or graduate registered nurse; and
3. Provides 24-hour nursing service by or under the supervision of a graduate registered nurse (R.N.); and
4. Maintains a daily medical record of each patient which is available for review by the Company.

A NURSING HOME does not mean a hospital or clinic, boarding home, home for the aged or mentally ill, rest home, community living center, a place that provides domiciliary, residential, or retirement care, a place which operates primarily for the treatment of alcoholics or drug addicts, or a hospice.